

OSU ARCHIVES
1974-75

6/75

ANNUAL REPORT
to the
PRESIDENT
1974-75



OFFICE OF BUSINESS AND ADMINISTRATION

EDWARD Q. MOULTON
VICE PRESIDENT

September, 1975

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1944-45

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INTRODUCTION

This Annual Report to the President illustrates the major accomplishments within Business and Administration during 1974-75, plus some of the plans for the current year and some of the problems to be solved. The areas within Business and Administration are shown in Figure 1. Effective July 1, 1975, however, the Office of Personnel Services became a separate area with Madison H. Scott being promoted to Vice President.

The achievements presented in this Report have resulted in significant improvements in operations and services, but they represent only a beginning of what can and must be done. In all departments, management continues to review ways to improve support and increase utilization of the resources available.

In addition, the search continues for new sources of funds from within the area. For example, the use of space and administrative overhead now are treated as real expenses for auxiliary enterprises, with the cash accruing from these expenses being used for the next three years to recover from the lack of adequate equipment replacement reserves. The funds will be used to solve some specific long-standing needs within the auxiliaries:

- Replacement of motor pool and bus fleets,
- Renovation of Derby Hall Bookstore,
- New cash registers for the Bookstores,
- Improvement of facilities and repair of major equipment items, and
- Initiation of appropriate reserves for future replacement needs.

The stress throughout the last biennium has continually been on accomplishing more with fewer resources. Figure 2 shows the level of staffing over the last three years and the continued downward trend for 1975-76.

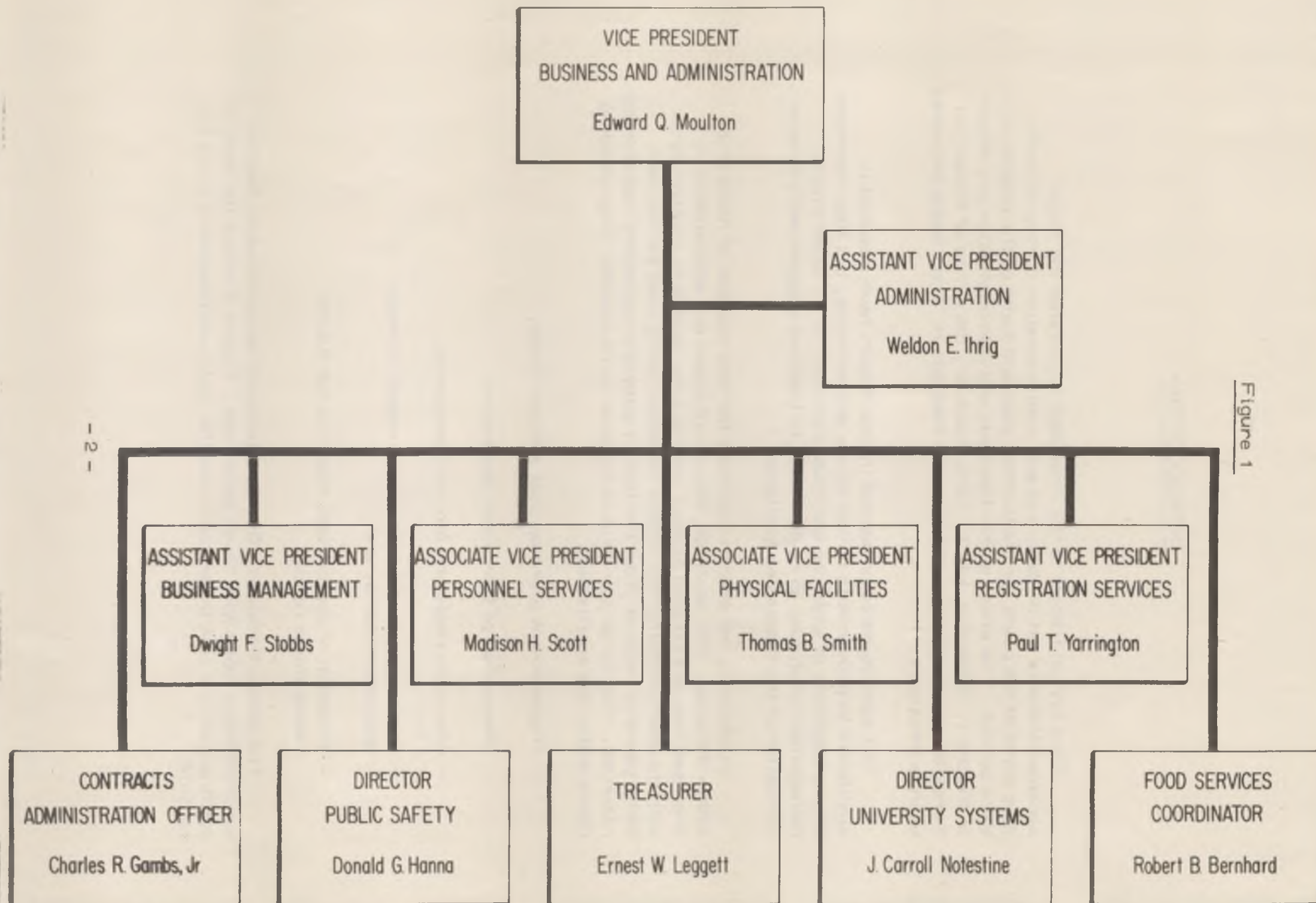


Figure 1

Figure 2

BUSINESS AND ADMINISTRATION FTE PERSONNEL

<u>Area</u>	July 1			
	<u>72-73</u>	<u>73-74</u>	<u>74-75</u>	<u>75-76</u>
Business and Administration	6	6	8	8
Business Management	545	511	480	474
Contracts Administration	-	-	3	3
Food Services Coordinator	-	-	-	2
Personnel Services	119	120	121	131
Physical Facilities	922	940	913	854
Public Safety	82	87	75	78
Registration Services	169	159	156	147
Treasurer	83	85	80	84
University Systems	<u>115</u>	<u>108</u>	<u>100</u>	<u>103</u>
TOTAL	2041	2018	1936	1884

These reductions have been achieved while still maintaining essential services and in several cases providing increased support through more efficient operations. Improvements under these circumstances can be achieved only through good management at all levels, many examples of which are contained in this Report. It is hoped that this summary will provide a better understanding of the scope of operations within Business and Administration and efforts to improve support to the total University while holding down costs and maximizing the use of available resources.

II.

ADMINISTRATION

The Office of Assistant Vice President for Administration was established in July, 1974, to provide direct support to the Vice President in the development and implementation of projects involving multiple areas within Business and Administration and to initiate new experimental programs to improve overall management and operational performance. The emphasis is on the ability to identify problems and opportunities and be a catalyst for testing and implementing new ideas within the various departments, through the active involvement of all levels of management. The best example of this approach has been the new Management Improvement Program.

Management Improvement Program

The Management Improvement Program (MIP) was established during 1974-75 to initiate efforts to continually improve the management quality within the University. The program objectives are to emphasize the continuing education of people in positions of responsibility, provide opportunities for the development of future managers, and assist departments in the identification of actions to improve management performance.

During the year, a series of MIP seminars was conducted for some 35 associate and assistant vice presidents and directors, with an average attendance of 22 senior administrators at each session:

Management Decision Making and Communications (September, 1974)

Dr. Robert C. Miljus - Chairman,
Management Sciences
Dr. Leonard Hawes - Associate Professor,
Department of Communications
Dr. Gary Hunt - Assistant Professor,
Department of Communications

Management by Objectives and Planning Strategies (December, 1974)

Dr. James F. Robeson - Chairman,
Faculty of Marketing

Dr. Roger D. Blackwell - Professor,
Faculty of Marketing

Management by Objectives

(February, April, May, and June, 1975)

Series of five one-half day seminars and work sessions covering all aspects of Management by Objectives in response to the specific interests of the participants.

Dr. James F. Robeson - Chairman,
Faculty of Marketing

The seminar on planning strategies by Professors Robeson and Blackwell created a great deal of interest. They describe the rapidly changing American attitudes and life styles as a basis for discussing the current and future implications for higher education. Professors Robeson and Blackwell have agreed to present a one-half day version of this seminar to the Council of Deans during a special meeting yet to be scheduled during Spring Quarter, 1976.

In addition to continuing seminars for senior administrators, plans now are being developed for a series of seminars, work experiences, and self-instructional materials to assist young staff members in developing their management talent and gaining broad experience in the problems of University management. This series is scheduled to begin in 1975-76.

The management improvement group also assists departments in dealing with specific management problems, through periodic evaluations of departmental management and operational practices, helping to define areas for improvement. Initially, these reviews have concentrated mainly in the areas of auxiliary enterprises; last year reviews were conducted for: University Bookstores, Copy Centers, Transportation, Property Management, Student Aid Accounting, and Registration Services (Wage Controls). Currently, studies are being conducted for the Food Facility, Meat Lab, and the Ohio State University Research Foundation.

Management Reporting

During the year, the Office of Business and Administration worked with all departments to develop new management reporting procedures to provide data necessary for management review and decision making. New auxiliary management reports were developed, eliminating redundancies and inconsistencies in previous reporting procedures and incorporating a standard format for all auxiliary operations.

The reports include a balance sheet, income and expense statement, comparison of budget versus actual income and expenses, and a narrative report on each auxiliary. They ensure that financial data reflect the full cost of the operation (including rental charges, depreciation, and administrative overhead) and that the emphasis is on management-oriented data. To supplement these reports, a detailed accounting manual currently is being developed by the management improvement group to ensure uniform accounting practices among all auxiliary operations and to provide guidelines for use of financial statements at all levels of management.

The other main focus on management reporting has been through the initiation of quarterly reviews conducted by the Vice President with each area in Business and Administration to collectively review and evaluate financial status, productivity, and management ability, with the emphasis at each session varying to meet current management and operational needs. During 1974-75, these reviews were used to examine:

- Status of expenditures versus budget
- Actions to reduce expenditures and improve efficiency
- Establishment of schedules for equipment replacement
- Definition of workload factors to evaluate performance
- Organizational changes
- Departmental plans to solve current and anticipated problems
- Impact of hiring freeze
- Price increases and changes in rate structures
- Customer comments

These reviews provide a continuing opportunity to evaluate the overall performance of each department, focus on problem areas, redirect procedures and programs when needed to meet department and University goals, and emphasize management's continuing concern with the area's operations.

One especially critical need for management information during the past year was for meaningful projections in price increases for 1975-76. To assist in this area, Dr. James C. Yocum, Professor of

Administrative Sciences, developed a University Price Index for all types of University purchases. This price index, plus other measures developed internally, was used to arrive at the following projections of price increases for 1975-76:

<u>Category</u>	<u>Changes from 1974-75 Level</u>
Personnel	+10.0%
Benefits	+15.0%
Supplies	+ 5.2%
Maintenance	+ 9.4%
Printing & Reproduction	+ 8.5%
Communications & Shipping	+ 8.0%
Equipment	+ 3.8%
Travel	+ 4.0%
Water & Sewerage	+ 7.5%
Electricity	+33.0%
Heat	+33.0%
Air Conditioning	+33.0%
Base Rental Rate	NO CHANGE
Custodial	+ 9.0%
Maintenance	+ 9.0%

These projections enabled each department to judge the effect of inflation on their 1975-76 budgets and to reallocate resources within the budget guidelines.

Planning for Lincoln Tower

The Office of Business and Administration has responsibility for the coordination of planning for the combined service center to be located in Lincoln Tower. In December, 1974, the Vice President appointed a special task force representing all areas involved (including student input) to review the student service operations associated with the offices to be located in Lincoln Tower and recommend new approaches to providing these services more conveniently and more effectively. In particular, the Task Force was asked to make recommendations on how best to implement the concept of a combined service center to provide the best possible service to students both in and out of Lincoln Tower. The Task Force submitted its report in April, 1975, and its recommendations were reviewed by the colleges and all administrative departments affected.

The Task Force then analyzed the recommendations in light of the comments received and submitted a supplemental report modifying recommendations as necessary. Now, Business and Administration is working with all departments involved to determine the impact of the recommendations and plan for their implementation as appropriate.

Based on the Task Force's report, several actions already have been taken to improve student services for Autumn Quarter, 1975:

- 1) Students were notified of the September 5 "deadline" to pay fees by mail and get their receipted fee card back in the mail before they left for Columbus.
- 2) Students now can obtain Traffic and Parking decals by mail, as a part of the fee payment process. Previously, students had to pick up the decals once they had returned to campus.
- 3) Several measures were initiated to minimize traffic congestion and residence hall check-in problems as students arrived on campus. Simplified maps of routes into Columbus and to residence hall areas (North, South, West) were mailed to residence hall students. The maps are color-coded to be placed in the windshield to assist personnel directing traffic. In addition, Residence Halls, Traffic and Parking, and Public Safety coordinated efforts to direct traffic flow, monitor parking lots, and ensure speedy check-in at the halls.
- 4) A satellite Scheduling Office was operated on West Campus (August 29 through September 20) so that University College students could make schedule changes without a trip to the main campus. The West Campus Scheduling station scheduled all 100-level courses and coordinated the scheduling of all other courses with the Scheduling Office via open telephone lines.

Special Cost Reduction Analyses

During the year, the Vice President initiated four special studies to reduce operating expenses throughout the area:

- 1) Copying Services - A study of all copying services was conducted by the Purchasing Department, showing

potential savings of \$31,000 per year. (See Section III.)

- 2) Telephone Usage - Study by the Telephone Services Department is in progress.
- 3) Storage Areas - This study has been completed and has resulted in improvements and better utilization of space:

3,600 sq. ft. - released for other use
20,000 sq. ft. - potential for new use
77,000 sq. ft. - corrections made for more effective use

The study also resulted in identification of problems in areas used to store hazardous materials, and steps have been initiated to correct deficiencies and ensure safe storage of these materials.

- 4) Computer Data Files - Study by University Systems is in progress.

Computer Coordinating Committee

Main emphasis during 1974-75 was on improved coordination and communication among the three major computer centers (University Systems, Instructional and Research, and Public Service). Through the exchange of data, all three centers decided to initiate purchase of their computers, resulting in significant savings over the next five years. (See Section X.) The Committee also initiated a joint systems programmer group to share common activities, developed procedures for disaster planning, and established common salary scales for programmer and analyst positions.

Board of Regents Coordination

The Office of Business and Administration coordinated the University's responses to the Board of Regents Management Improvement Program. This has included responses to the Task Force recommendations and the University's plans for their implementation.

III.

BUSINESS MANAGEMENT

Printing Facility Text Editing Equipment

To keep pace with dramatic technological changes occurring in the printing industry, the University Printing Facility currently is installing a visual display and text editing system which enables printed materials to be composed electronically. The heart of the system is a cathode ray tube keyboard terminal, which replaces the traditional hot-metal typesetting machine.

The new system eliminates the necessity of having all material typeset by a professional compositor. Instead, input can come from tape punched by the University's computer, tape generated on tape-perforating keyboards, or copy typed on an ordinary selectric typewriter which then is optically scanned and fed into the system. Once material has been entered, it can be displayed on the cathode ray tube, and the copy can be formatted electronically, with material being inserted, deleted, or rearranged by means of the text editing keyboard.

When operational, the benefits of the system will be substantial:

- Ability for departments to by-pass 50% of current typesetting operations,
- Ability to accept computer source data for composing,
- Reduction in charges to customers,
- Enhancement of journalism students' education,
- Substantial reduction in work needed to update directories and catalogues,
- Reduction in paper usage,
- Reduction in press and bindery time, and
- Quicker job delivery.

OFFICE OF BUSINESS MANAGEMENT

JULY 1, 1975

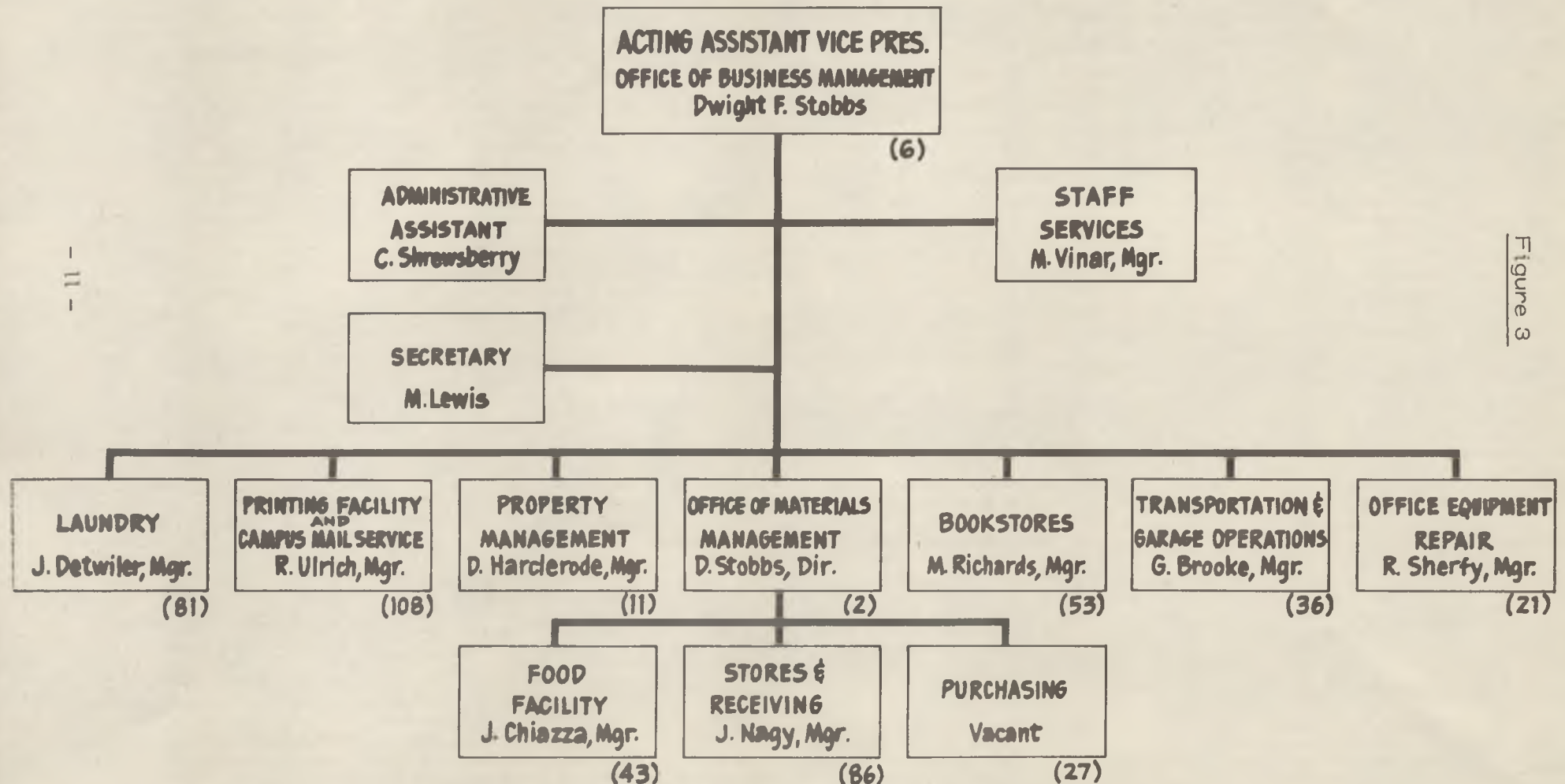


Figure 3

The cost of this system was \$90,000, and the funds to purchase the equipment were generated from the Printing Facility's operations. Based on current volume, the new system will save 7,800 production hours per year - an annual savings of \$51,000. The pay-back period for the \$90,000 investment is 21 months, and the annual cash savings will be returned to customers through reduced rates.

Maintaining the University Bookstores' 5% Discount

Students, faculty, and staff currently receive a 5% discount on the purchase of books at all University Bookstores, as well as on art supplies purchased through the Art Supply Department at the Derby Hall store. Retention of the discount, of course, is dependent upon continuing successful financial management of the operation.

Despite the impact of merit and legislated increases in compensation and the effect of inflation on operating expenses, the Bookstores are controlling expenses. As shown in Figure 4, the rise in the ratio of cost of goods sold to net sales for 1974-75 is offset by reductions in both the compensation and operating expense ratios. In fact, overall compensation and operating expenses rose by only 1.6% last year, and the Bookstores showed a net income of \$2,038. Because of this, the existing discount can be continued for 1975-76.

Study of Copying Machine Usage

The Purchasing Department recently completed a review of copying machine usage for the Office of Business and Administration to determine how greater economies can be achieved in copying operations within the area. As a result of this study, the Purchasing Department has made recommendations which will produce annual savings of \$31,000. The study indicated that the total number of copiers in Business and Administration departments can be reduced from 33 to 26, and the copier mix changed so that more use is made of coated paper copiers rather than the more expensive bond paper copiers. A substantial portion of the annual savings will come from new copying and duplicating guidelines drafted by the Purchasing Department.

Copying is a major expense for the entire University; during 1974-75 alone, the University paid Xerox Corporation \$800,000 for the rental of their equipment. Consequently, the study of copier usage will be extended to other areas of the University in the coming year. The Purchasing Department already is engaged in pilot studies with two colleges to refine the study format.

THE OHIO STATE UNIVERSITY

UNIVERSITY BOOKSTORES

Comparison of Operating Costs to Net Sales - 1972/73 Through 1974/75

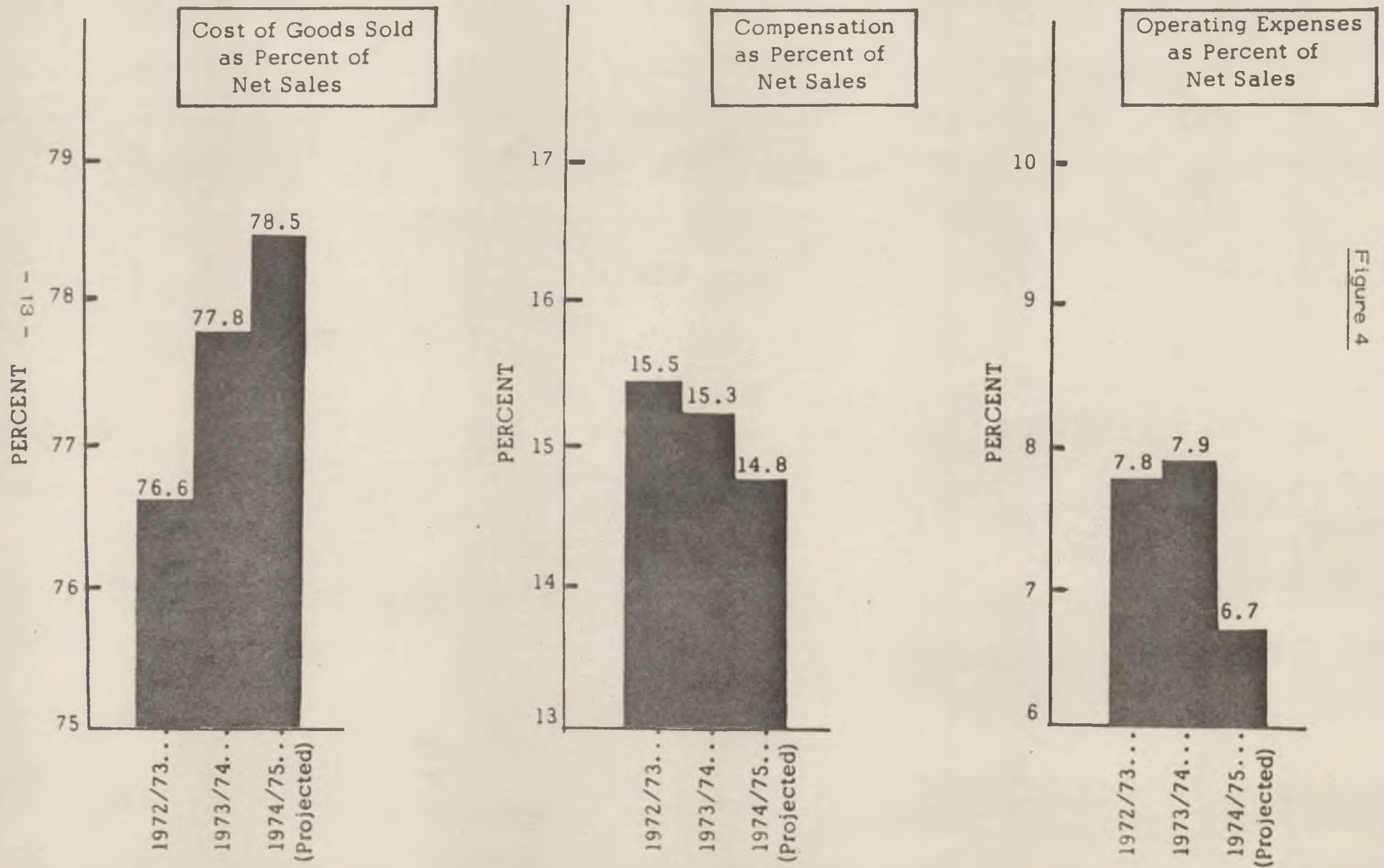


Figure 4

Replacement Program for Residence Hall Washers and Dryers

The Office Equipment Repair Department has developed a planned replacement program for the washers and dryers which the department furnishes and services for the student residence halls. This program, in which all replacement costs will be supported by revenue from the laundry vending operation, will upgrade existing equipment and guarantee a high level of reliability by providing for:

- Immediate replacement of 82 washers and 77 dryers,
- Cyclical replacement of all washers over a five-year period, and all dryers over a six-year period, and
- A small inventory of standby equipment to substitute for machines undergoing repair.

In addition to maintaining satisfied users, the program also will reduce repair costs. First year savings in repair parts, for instance, will be about \$3,000.

Transportation Bus Routes

A recent evaluation of the bus service being provided to Don Scott Field and the Research Center concluded that service could be modified to reduce costs while still meeting the needs of the two areas. In the past, two buses on separate routes have been used, but the study of passenger loads and required frequency of service indicated that a combined run could be established. The elimination (effective June 30, 1975) of the separate routes and the second bus will result in annual savings of \$25,000, including \$17,400 in salaries and benefits and \$3,900 in fuel. These savings will be used to operate a second handibus beginning Autumn Quarter, 1975.

Point-of-Sale Terminal Equipment for the Bookstores

A cost-benefit study currently is in progress to determine the feasibility of replacing the existing and outmoded mechanical cash registers in the University Bookstores with an electronic point-of-sale system. The point-of-sale system functions both as a cash register and as a mechanism for recording sales data on magnetic tape. The sales data can be entered on the terminal manually, as with a cash register, or automatically through a wand reader in conjunction with electronically encoded sales tags. Subsequently, the stored data can be used to generate sales reports via a support terminal.

Studies show that benefits of such a system could include:

- Annual savings of \$72,000 resulting from a reduction in the work force, a reduction in markdowns and inventory stocking costs because of improved inventory control, a reduction in forms costs, and elimination of an accounting machine now leased from National Cash Register Company,
- Better customer service due to faster-moving lines at check-out counters,
- Improved inventory control because of the ability to compile sales data automatically, resulting in improved inventory turnover and better cash flow,
- Reduced book returns to publisher, resulting in reduced shipping costs,
- Better and faster management reports, and
- Elimination of errors in tax and discount calculations, which will be done automatically.

The results of the cost-benefit study indicate that this system would be of major benefit to ensure efficient operations and maintain quality service. The Bookstores currently plan to implement the system during 1975-76.

IV.

CONTRACTS ADMINISTRATION

Control of the University Name and Seal

In November, 1973, the University filed requests with the United States Patent Office to register the name "The Ohio State University" and the University Seal. Those marks now have been registered, and requests to register the marks "OSU", "Buckeyes", and "Ohio State" are pending. The registration of the University's identifying marks enables the University to control their use by persons and organizations outside the University. The University authorizes commercial use of these marks through licensing agreements only when such use is to the benefit of the University.

As of August 15, 1975, the University has signed licensing agreements with 11 companies and received royalties of \$2,525.55:

Josten's (class rings)	\$1,129.86
J. Jenkins & Sons (class rings)	18.54
Cluett-Peabody (Arrow shirts)	0
Arthur Reis Co. (clothing)	0
Fleetwood Records (record album)	0
McDonald's Restaurants (plastic cups)	150.00
Indiana Glass (beverage mug)	1,000.00
Knickerbocker Toy Co. (toy football player)	0
Barr, Inc. (plastic football)	0
Trench Manufacturing Co. (pennant)	0
Temperature Technology (desk thermometer)	<u>227.15</u>
	\$2,525.55

Currently, negotiations are in progress with eight other companies, and firms dealing with the University Bookstores are being notified that, in the future, merchandise bearing University marks will be sold in the Bookstores only if the manufacturer has entered into a licensing agreement.

Patent Administration

The Contracts Administration Office has responsibility for Patent Administration, working with the University Patent Advisory Committee. Patent negotiations currently are under way in several areas, and one of

the most successful agreements concluded in 1974-75 was with Sandoz, Inc., a pharmaceutical manufacturer.

Negotiations between the University and Sandoz began in 1973 concerning immunization techniques to control fertility invented by Dr. Vernon Stevens, Professor of Obstetrics and Gynecology. A license agreement finally was signed in January, 1975, granting Sandoz an exclusive royalty-bearing license to practice the inventions and to make, use, and sell, within the United States, the products covered by the patents. The minimum royalty to be paid to the University is \$10,000 per year, with the royalty increasing once the products are marketed. Sandoz also is funding a four-year research program in fertility control under Dr. Stevens' direction in the amount of \$100,000 per year. The University currently is negotiating a foreign license with Sandoz, Ltd., the parent company, to cover use of the patents outside the United States.

Court of Claims

In January, 1975, the Contracts Administration Office was designated as University liaison with the Ohio Attorney General's Office in preparing the University's defense against claims filed against the University in the Court of Claims. As of September 15, there were 13 claims, totaling nearly \$2,130,000, pending against the University.

Ohio Campus Disruption Act (H.B. 1219) Cases

The Office of Contracts Administration also serves as liaison with the Board of Regents for hearings mandated by the Ohio Campus Disruption Act (H.B. 1219). During 1974-75, six students were arrested on charges coming within the purview of the Act. In one case, a student pleaded guilty to a 1219 offense and was dismissed from the University. Hearings were conducted before a referee appointed by the Board of Regents in the other five cases. As a result of the referees' decisions, two students were placed on University Disciplinary Probation, one was suspended from the University, and the charges against the other two were dismissed.

Standardized Forms for Contracts and Leases

During 1974-75, Contracts Administration reviewed and processed over 225 contracts, easements, and leases for various agencies of the University, ranging from art exhibits in the Ohio Union to leases of off-campus office space. One of the major goals of the Office was development of standard formats that can be used for a large number of transactions.

Currently, standard documents have been devised to cover:

- Pop Concert Contracts,
- Contracts for entertainment groups appearing in the Ohio and Drake Unions,
- Contracts for both commercial and student arts and crafts exhibits in the Unions,
- Residential leases for use by Property Management,
- Commercial leases for use by Property Management,
- Married student housing leases,
- Graduate student housing leases, and
- Easements.

The format of each of these documents was developed in cooperation with the using agency and greatly reduces the time needed to develop and process each transaction. During 1975-76, the Office will be working with Residence and Dining Halls to revise the Undergraduate Student Housing Contract.

V.

FOOD SERVICES COORDINATOR

Coordination and Consultation

The Office of Food Services Coordinator was established in November, 1974, to provide consulting services to the various University food service organizations, assist in food contracting activities, coordinate vending operations, and recommend improvements in both daily operations and long-term planning. Since its establishment, the Office has worked closely with the campus food service managers, meeting frequently as a group and through newly established committees to solve joint problems and discuss mutual concerns. These collective efforts have resulted in:

Training - Three workshops have been conducted for food service employees and management on sanitation, food appearance, and food service operations.

Customer Comments - a survey was conducted by the OSU Poll to determine customer needs, reactions, and complaints.

Standards, Policies, and Procedures - Work currently is under way to develop written standards and guidelines for food service operations.

Advertising and Promotion - Work also is in progress on several joint advertising publications, including a pamphlet describing all campus food services and a brochure on catering services.

Development and Monitoring of Contracts

The Food Services Coordinator has provided assistance to the Purchasing Department and using agencies in the development of bid specifications and contracts for food service operations, including:

- Burger King franchise on West Campus,
- Stadium concession and novelties contract,
- Outdoor vending near Derby Hall,

- Push-cart vending on the Oval,
- New franchise (Juice Factory) in the Ohio Union,
- Food service and vending at Newark Campus,
- New contract for industrial catering services on the Columbus Campus,
- New vending contract at Wooster, and
- New contract for coin-operated copying machines.

These contracts have been developed to improve service to customers, improve University control over the operations, and in almost all cases increase the University's commissions.

Food Franchise Operations

Perhaps the most innovative change in campus food service operations has been the creation of franchised fast food establishments on West Campus and in the Ohio Union. The franchise operations have been highly popular with all segments of the University community and have done much to redevelop the Ohio Union as a center of student activity. Of equal importance is the fact that the franchises have proven to be a financial success. As Figure 5 shows, sales at these operations have been very good, and the commissions received by the University have provided a definite financial boost. Ohio Union food sales, for example, more than doubled during 1974-75 compared with the previous year.

Figure 5

FINANCIAL STATUS OF FOOD FRANCHISES

<u>Operation</u>	<u>Sales</u>	<u>As of</u>	<u>Commissions</u>	<u>%</u>
McDonald's	\$459,053	June 30, 1975	\$32,032	7
Shakey's*	118,500	June 30, 1975	17,775	15
Sweet Shack	51,106	June 30, 1975	10,221	20
Tahiki Hut**	13,191	Dec. 14, 1974	1,325	10
Burger King	<u>95,760</u>	June 30, 1975	<u>1,895</u>	2
Total	\$737,610		\$63,248	

* 1975-76 franchise awarded to Pizza Hut, with a commission rate of 12%.

** Went out of business in December, 1974; new franchise for the "Juice Factory" began in July, 1975.

Food Service Management Information System

The purchase and implementation of a computerized food service management information system during 1974-75 has resulted in significant improvements in timely, accurate, and detailed data for management analysis. The system was obtained from TransTech, Inc., and installed beginning in July, 1974. In addition to providing for more efficient operations, the system will generate substantial savings to the departments, as shown in Figure 6.

Figure 6

FOOD SERVICE MANAGEMENT INFORMATION SYSTEM

	<u>OSU Hospitals</u>	<u>Residence Halls</u>
Cost of System	\$ 36,260	\$ 31,360
1974-75 Savings (Est.)	100,000	36,000
1975-76 Savings (Est.)	100,000	100,000
Overall Savings Estimate: 7 to 17% of Raw Food Cost		

VI.

PHYSICAL FACILITIES

Capital Improvements Program

During 1974-75, all remaining capital projects from the last three biennia (totaling \$47 million) were successfully placed under contract. (Figure 8) As part of this effort, funds were encumbered before the end of the biennium for all Utilities and Renovation (U&R) projects, for the first time in several years.

Grounds Maintenance and Development

The last year encompassed major changes in the physical appearance of the central campus. After implementation of the Traffic Control Plan and the closing of various campus streets, plans were developed to convert these streets into green spaces and malls. North Oval Mall and part of Neil Avenue Mall were designed and completed, and portions of South Oval Mall currently are under construction. In addition, a nursery operation was initiated to provide plant material for these malls and for general campus use.

Energy Conservation Program

The University's Energy Conservation Program has made nationally recognized progress in reducing energy consumption during the last year. A joint effort with the Mechanical Engineering Department was begun to conduct detailed energy studies of selected high energy-using buildings, resulting in modifications to the energy systems when the financial pay-back is determined to be favorable. For example, modifications have been made in the Allied Medical Sciences Building resulting in a 46% reduction in electricity used and an 82% reduction in natural gas consumption during the three-month period from January-March, 1975. The modifications cost \$30,000, but with these reductions in energy consumption, the pay-back period is only nine months.

Other conservation measures include a continuing survey and adjustment of lighting levels in campus buildings. Thus far, the equivalent of 60,000 fluorescent tubes have been taken out of service, a reduction in demand of over 3,000 kilowatts. In addition, several administrative actions have been taken, including changes to the school calendar, revised class and work schedules, and adjustments to thermostat settings. Finally, voluntary cooperation by the entire University community has resulted in prompt reporting of problem areas and extra savings.

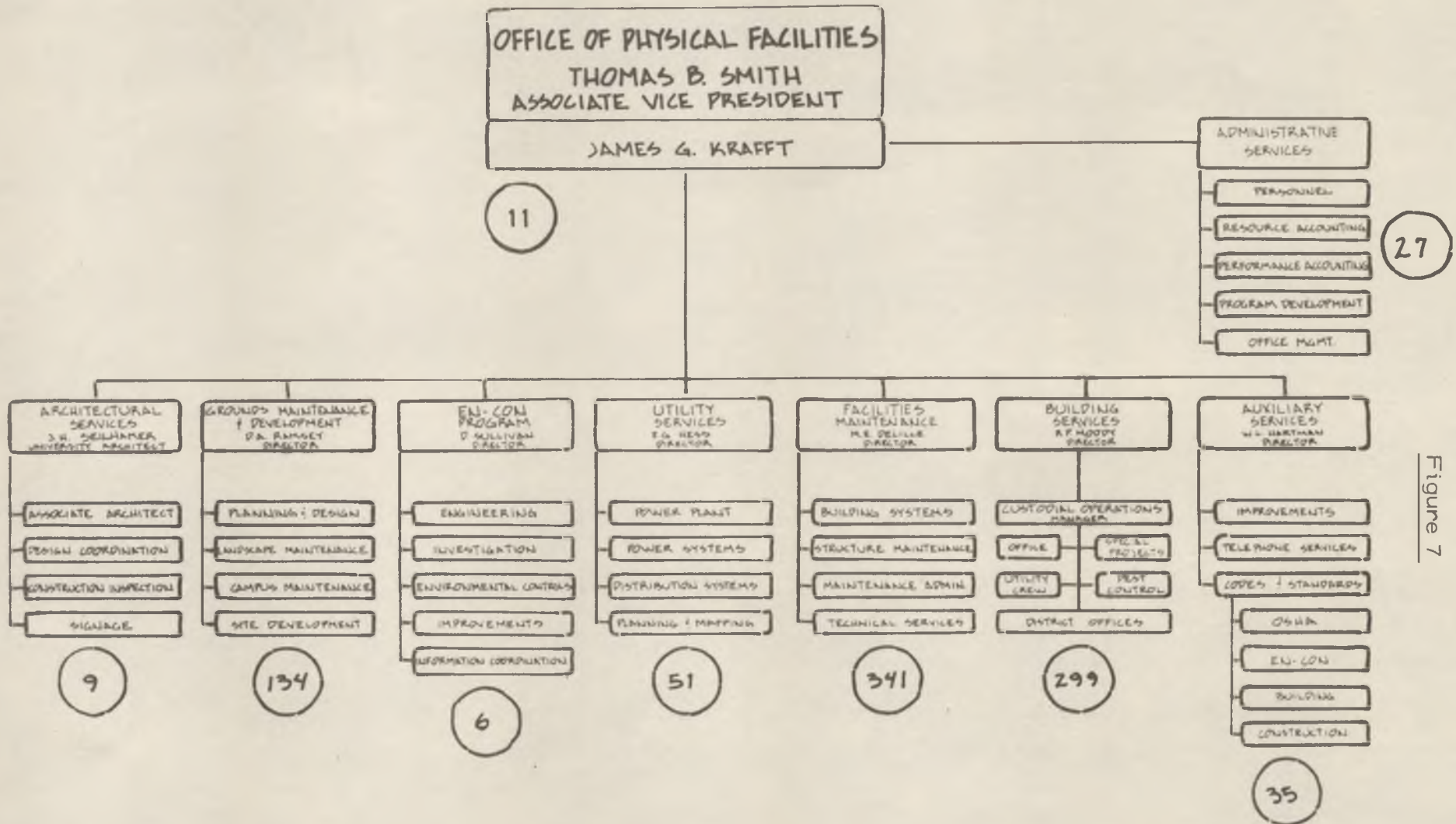


Figure 7

Figure 8

CAPITAL PROJECTS PLACED UNDER CONTRACT

1974-75

From 1969-71 Biennium (\$20.5 Million):

Clinical Medical Sciences Education Facility	\$12.7M
Main Library Addition	4.0M
Marion Campus - Phase II	2.5M
Starling-Loving Hall Remodeling (Optometry)	1.3M

From 1971-73 Biennium (\$21.1 Million):

Recreation, Physical Education, and Intramurals Facilities (Central and Dispersed)	\$10.0M
Lima Campus - Phase IV	3.7M
Mansfield Campus - Phase IV	4.0M
Newark Campus - Phase II	2.5M
Traffic Improvements	0.5M (U&R)
Exterior Masonry Repairs	0.2M (U&R)
Central Campus Energy Control Center	0.2M (U&R)

From 1973-75 Biennium (\$5.4 Million):

Lincoln Tower Alterations	\$ 1.8M (U&R)
Mahoning County Area Extension Center	0.3M
Jackson County Area Extension Center	0.3M
Hospital Intensive Care Unit	1.2M (Local)
Means Hall Elevator	0.3M (Local)
Hospital Air Conditioning Improvements	0.3M (Local)
Miscellaneous U&R Projects	<u>1.2M (U&R)</u>

TOTAL

\$47.0M

Actual utility bills for 1973-74 were just under \$5,000,000. The 1974-75 bill, however, was projected to increase to \$7,383,000 because of:

- Rate Increases: Electric - up 52.0%
 Gas - up 37.0%
 Water - up 7.5%
- Substitute Fuel Use:

Commercial Gas for Industrial Gas
Fuel Oil for Natural Gas

- New Requirements for Additional Facilities

Due to savings generated by the Energy Conservation Program, however, actual utility bills for 1974-75 were \$6,465,000, a savings of \$918,000.

Central Campus Energy Control Center

In the energy conservation field, one project worthy of special comment is the Central Campus Energy Control Center. During 1974-75, performance specifications were prepared, bid, and a contract awarded for the initial installation. First-phase emphasis was on securing adequate central equipment to control a large number of building systems from one location, with computer capability included to respond to field situations. The initial installation includes the capability for:

- Continuous monitoring, supervision, and alarming of building systems, including firm alarm reporting,
- Energy control totalizing and peak demand recording for electrical and heat inputs to buildings,
- Computerized optimization programs for equipment start/stop, optimal control of outdoor air, and scheduling of supply air (mixed air) temperatures,
- Prioritized alarms, and
- Event-initiated instructions.

Future additions to the Control Center will provide for a utility management program, maintenance management program, security systems, lighting control, and electrical demand limiting. One item of

particular interest is the installation of a remote printer in the police station to report local fire alarm actuations and other items of an emergency nature.

Facilities Maintenance

In facilities maintenance, the emphasis has been on improvements which result in energy conservation and economic changes in equipment types. For example, Robinson Laboratory, the Veterinary Hospital, and Goss Laboratory are no longer being cooled with heat-energy operated equipment. The aged unit in Robinson Lab was replaced by an electric-drive centrifugal unit, and the Veterinary Hospital had an electrical unit added with a tie line to Goss Lab. The facilities maintenance group also has dedicated many hours to performing manual shutdowns and start-up of buildings to implement and support the energy conservation program. As fast as possible, this process is being mechanized through the use of time clocks and later will be performed through the Central Campus Energy Control Center.

Building Services

The Building Services section has taken measures to improve the morale and productivity of the over 300 employees in this custodial group. Programs initiated during 1974-75 include a "1000 Hour Club" for employees accumulating 1000 hours total sick leave and the "Employee of the Quarter" and "Employee of the Year" recognition for outstanding performance in each of the five custodial districts.

Cost Data

The Office of Physical Facilities has designed and tested a computerized cost system for custodial and maintenance work, and a utility cost data system is in development in conjunction with the Energy Conservation Program. Efforts also are being made to determine more effective ways to allocate funds to buildings of various occupancies.

1975-76 Objectives

The prime objective of personnel involved in capital improvements and contract repair is to achieve an early start and early encumbrance for capital projects. Specifically, the area already has interviewed and recommended employment of associate architects for capital improvement projects expected to receive funding by the Ohio Legislature. These include: Agronomy Building, School of Music addition, Hayes Hall renovation, an addition to the Pharmacy Building, additional

facilities at Newark and Mansfield, and a traffic improvements project. The aim is to have as many of these architects employed and design work started as early as possible.

Building Services is studying the handling of supplies with the goal of scheduling deliveries through an automatic reordering inventory control system. Emphasis in the custodial area continues to be placed upon employee training and retraining and investigation of different evaluation techniques. There will be expanded use of student personnel on a part-time basis and a continuation of contract cleaning where it seems to offer the best solution.

Throughout the campus, the Energy Conservation Program will continue and expand. There will be more system modifications to improve energy utilization as well as work toward implementation of the Central Campus Control Center. Finally, an application of management improvement techniques of goal setting and progress evaluation is planned for division administrators throughout Physical Facilities departments.

VII.

PUBLIC SAFETY

Organizational Development

After an extensive review of police organizational needs in a changing community and consultation with other law enforcement agencies, a two-day organizational development seminar was held in September, 1974, for all administrators and supervisors of the Department. There was a second seminar in December, with a half-day follow-up session the same month. One of the major accomplishments of these seminars was the development of a statement of philosophy for the Department:

The Department of Public Safety at The Ohio State University is a multi-service organization designed and structured to enhance the protection and safety of persons and property at the University.

Recognizing that it must relate and respond to campus community needs that are dynamic and continually changing, the Department is pledged to appointing, developing, and retaining competent personnel who are committed to the challenge of police activity consistent with contemporary social needs, and who are free from racial, religious, ethnic, and economic bias.

While rejecting an authoritarian approach to problem solving, the Department is continually involved in crime control, enforcement, order maintenance, and service efforts with the objective to control and reduce hazards to the public safety at the University.

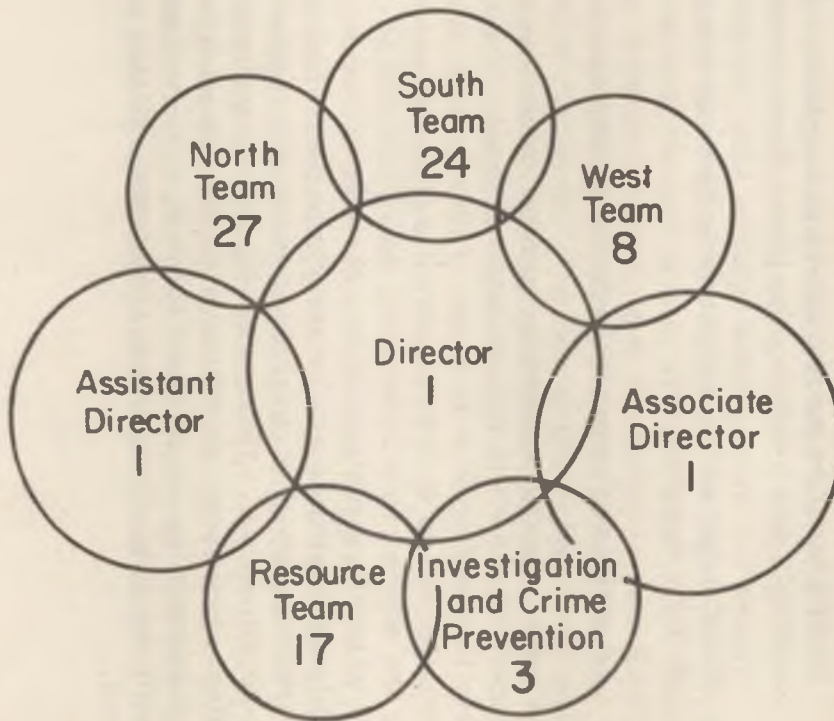
The Department commits itself to its employees and will make every effort to provide a work atmosphere conducive to personal and career development.

The ultimate goal of this departmental philosophy is to provide quality police service at the University at a minimum cost to the citizens we serve.

DEPARTMENT OF PUBLIC SAFETY

ORGANIZATION

PERSONNEL



Age of Officers

Under 25	14
26 - 30	28
31 - 35	12
36 - 40	6
Over 40	8

Education

Master's Degree	8
Bachelor's Degree	27
Continuing	26
No College	7

Minority Officers 5

Female Officers 5

Team Policing Concept

The decision to implement team policing at Ohio State was made after consultation with other law enforcement agencies utilizing this organizational structure and after extensive discussions during the organizational development seminars. The concept of team policing places 24-hour responsibility in a team of law enforcement officers for crime control and police service in a particular geographic area. (Figure 9) The key objectives of this approach are:

- 1) To improve supervision through team leaders (Supervising Agents), team consultation, and setting team objectives.
- 2) To decentralize decision making and planning regarding assignments, services, tactics, preventive program, interception, and investigation.
- 3) To decentralize and fix responsibility and accountability.
- 4) To increase interaction with the community, particularly regarding crime prevention, crime control, and the flow of crime-related information.
- 5) To strengthen the relationship between the police and the community.
- 6) To enhance flexibility, openness, and adaptability.

The team structure provides greater decentralized planning and depends upon decisions at the operational level. It promotes police-community interaction and develops officer sensitivity to citizen input and community needs in crime control and police services. With team policing, the officer is a community agent capable of responding to a multitude of police situations in the community requiring a person authorized to investigate and/or use force depending upon the urgency of the situation, and involving management and disposition of crises and unusual situations. Thus, the officer is a generalist in terms of capabilities. However, an officer also may be assigned an additional or special responsibility as an agent to meet a current particular need of the Department requiring certain knowledge, skills, training, or experience.

Although the concept is still in the developmental stage, there is a great deal of officer interest and enthusiasm. There also is a sense of commitment to what has developed and optimism regarding future gains in crime control, police service, and community support. Already, there are some quantitative results from the program:

1. Interaction with the campus community has increased dramatically, especially in crime prevention efforts and increased foot patrols. Patrol vehicular mileage was reduced by 50,000 miles from the previous year.
2. The first three months of team policing (January-March, 1975) showed the following comparison in crimes and arrests with the same period of the previous year:

	<u>1974</u>	<u>1975</u>	
Crimes Reported	789	699	-11%
Criminal Arrests	53	71	+31%

A part of the team policing concept was the adoption of a blue blazer uniform to replace the traditional, paramilitary style uniform with all the usual occupational tools visibly hanging from the waist. The "soft" uniform still provides police identity with the badge of office and name bar visibly worn over the left breast of the blazer coat. But the new uniform provides greater comfort, and the sidearm, ammunition, and handcuffs are neatly concealed underneath the coat except during those times when the coat is removed. The new uniform has been well received by the campus community, and some officers already have noticed improvement in communications with citizens.

Disaster and Unusual Occurrence Plan

The Disaster and Unusual Occurrence Plan was updated in May and June, 1975. The revised plan provides for a Emergency Coordination Center in the expanded Public Safety facility and basic guidance for specific types of occurrences such as aircraft or train accident, chemical accident, explosion, fire, tornado, flood, nuclear accident, electrical black-out, epidemic, demonstration, or riot/civil disorder. There are annexes to the basic plan providing detailed information for each of these contingencies.

The Franklin County Disaster Service Agency is in the process of obtaining federal government approval for the installation of four disaster warning sirens on campus, with Business and Administration funding the cost of the sirens. Additionally, information has been disseminated by various means to the campus community recommending how and where to take cover during a tornado warning or actual tornado.

Training

Police training is a continuous process from introductory basis instruction in police skills and techniques to comprehensive reviews of current statutory laws and court decisions. Approximately 960 hours of training initiate the officer's career, with a departmental average of 92 additional hours of training per officer each year. Because University law enforcement officers have full police power provided by statute, training is not only basic to successful performance but mandatory by law. However, Ohio State greatly exceeds minimum statutory training requirements.

Administrative and Support Innovations

Computer Programming - In January, 1975, the Department developed a computer program to provide monthly activity data useful in manpower distribution and deployment. This program provides a cross-tabulation of reporting areas according to criminal offense, area location, day of week, four-hour time segments, and location inside or outside a building.

Microfilming - During the year, microfilming of police reports was begun to reduce storage space for 55,000 reports dating back to 1965.

New Law Enforcement Teletype - In May a new teletype was installed at the radio desk. The new model has a faster inquiry capability, makes very little noise, and represents an annual savings of \$840. Ohio State makes approximately 70,000 teletype inquiries annually, and the University ranks as one of the ten busiest law enforcement terminals in the state.

Video-taping - During 1974-75, the Department began using video tape for collection of evidence for court presentation, recording problems associated with special public event traffic, and in-service training.

Student Employees - Part time student employees (34) now are actively involved in providing part of the total service of the Department. This program, initiated during the year, has been most beneficial to the

Department in providing the best utilization of all personnel. Clerical assistance, receptionist duties, security checks, and the control of congested traffic on busy campus streets are only a few of the service tasks performed by the student employees.

Records Retention Schedule - During the year a departmental records retention schedule was established with the State Records Commission in accordance with Section 149.34 of the Ohio Revised Code.

Objectives for 1975-76

1. Develop an informational report of the Department's organizational development and progress for dissemination to the campus community, criminal justice agencies, and other universities.
2. Place response contingency plans on slide-film for quick projection and retrieval capability in the Department's new communications room. (Contingent on funding.)
3. Complete microfilming of police incident records and centralize current records into a single rotary file in the new records room.
4. Establish space in the new Department facility for an Emergency Coordination Center that can operate during disasters or unusual occurrences on campus. (Contingent on funding.)
5. Involve police team supervisors in the budgeting process by designating funds for team expenditures.
6. Obtain an OSU Poll report of faculty, staff, and student perceptions of University police as a follow-up and comparison to the poll completed in 1973.
7. Identify a police liability insurance program for the Department.
8. Continue to solidify the team policing concept in the Department.
9. Establish liaison with County Prosecutor for a criminal diversion program.
10. Move into expanded facility to centralize operations (consolidating the present six locations) for greater functional efficiency for offices, operations, and training needs. Funding for alterations for the radio/communications move is most essential.

VIII.

REGISTRATION SERVICES

Reorganization

Effective July 1, 1974, several changes were made in the area's organization (Figure 10) to provide better service and more efficient operations. The Scheduling Office was transferred to Registration Services from the Office of Business and Administration to provide closer ties with registration procedures and greater flexibility in personnel use during peak periods. The Office of the Registrar became the Office of Records to better reflect the work done in the department, and the separate offices of Testing and Evaluation were combined into one department. Finally, the Office of Student Information Systems was created, with primary responsibility for the planning, implementation, and evaluation of all systems and operations within all departments of Registration Services. The Office also handles special requests from University departments for student information and processing not normally produced in routine reports.

Personnel Changes

Dr. Jewell L. Vroonland was appointed Director of Admissions, effective June 16, 1975. Dr. Vroonland previously was with the Ohio Legislative Service Commission and is a former Assistant Professor of English at Ohio State.

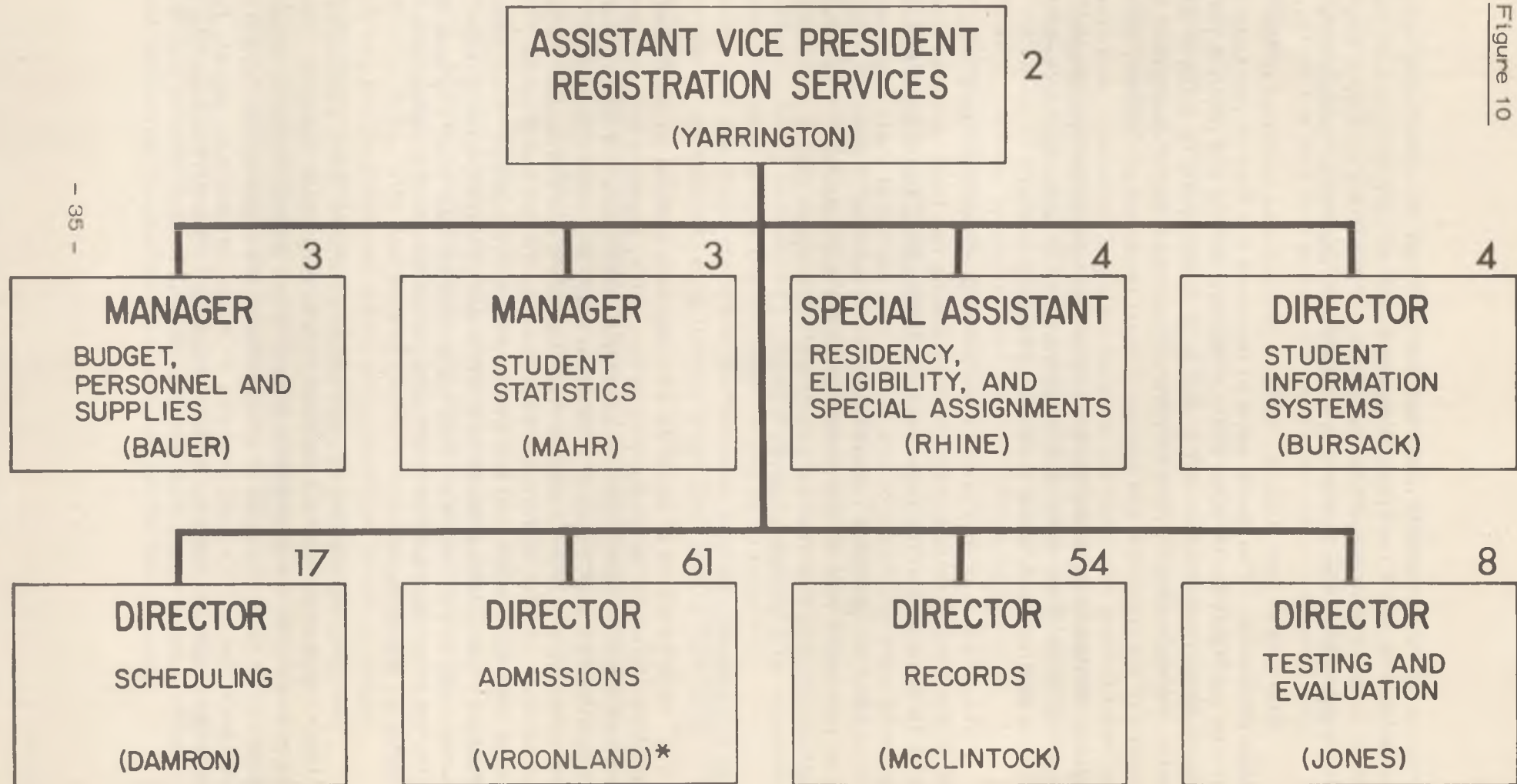
Dr. Paul T. Yarrington, Assistant Vice President for Registration Services, resigned effective September 1, 1975, to return to teaching as Professor of Engineering Graphics in the College of Engineering. A search committee currently is looking for his replacement. During the interim, Weldon E. Ihrig, Assistant Vice President for Administration, is assuming his duties.

Graduate/Foreign Applications

During the 1973-74 school year, Registration Services received numerous calls and adverse comments from graduate departments regarding the lack of timely data on prospective graduate students and the status of their applications. The problem continued to magnify as the application deadline for fellowships approached. An overview of the

OFFICE OF REGISTRATION SERVICES

Effective July 1, 1974



*effective June 16, 1975

processing revealed that non-resident applications were being held up for more than 30 days; the filing of credentials for former students was being delayed because of the complexity of the filing systems; and backlogging also was occurring in Xeroxing and folder preparation.

Starting in late August, 1974, a project was initiated to correct these problems. The goals were to increase the flow of graduate and foreign applications through the Admissions Office and provide timely response and notification of the status of applications to departments and to the applicants. In brief, the project was one of examining the volume of applications and pieces of mail received per month, determining and establishing rates for the various duties of personnel, and combining and/or reorganizing work stations to create smoother operations. Realistic objectives were set, essentially on a seven-day schedule, and all processing tasks were completely redocumented.

As a result of this project the average number of days required for processing graduate/foreign applications has been reduced from 16 to 10 days during the peak periods of January, February, and March. Students were notified monthly during this period of their application status, and all graduate departments were notified bimonthly, resulting in an increased rate of completed graduate applications. The incomplete application pool has been reduced, and active admissions or offers of admission to graduate students increased.

New Scheduling System

The scheduling of students into sections offered on West Campus was done manually for Autumn Quarter, 1974, because the computer-assisted scheduling system in use at that time could not distinguish between sections of courses offered on Main and West Campuses. The new scheduling system obtained from Systems and Computer Technology Corporation (SCT), which was implemented for Winter Quarter, 1975, makes that distinction and has the further refinements of recognizing potential West Campus students (UVC Rank 1) and modifying their course requests so that they may be scheduled into West Campus sections of the courses they ask for, reflecting their original time selections insofar as possible.

The ideal scheduling system would give UVC Rank 1 students all of their classes on just one campus, preferably West Campus. However, this presently is not possible since there are no facilities for physical education on West Campus and since there are departments which could offer sections of 100-level courses on West Campus but, as yet, have not taken steps to implement such offerings. The SCT scheduling system,

in an effort to compensate for these circumstances, analyzes a UVC student's course requests for the best campus selection. If the scheduler finds that at least half of the student's classes meet on Main Campus only, it will schedule as many of the student's classes on Main Campus as possible, given the fact that some 100-level courses are offered only on West Campus.

For both Winter and Spring Quarters, 1975, some 1,400 UVC Rank 1 students were scheduled with 94-100% of their courses on West Campus and another group of some 1,700 students had 75-94% of their courses on West Campus.

SCT also permits priority scheduling, with physically impaired students, honor students, and athletes designated as University priority, followed by seniority of students and then college priority as they may request. Finally, the new system allows for the block scheduling of free time-mornings, afternoons, or evenings.

Planning for the Move to Lincoln Tower

The move of Registration Services to Lincoln Tower will provide much better space utilization for all admissions functions than has previously existed. It now is planned that all application-processing functions currently being performed in three different areas of the Administration Building will be consolidated on the third floor of Lincoln Tower, with the majority of the professional staff and their secretary/receptionist support being located in an open admissions area on the same floor.

This organization of responsibilities will be completely different from the present structure. Currently, the area is divided by type of applicant processed (graduate/foreign, professional, freshman, advanced undergraduate transfer), with separate administrative processing and professional admissions counseling for each. The new organization will place personnel with common functions together to work as teams, and the reorganization will provide needed flexibility to withstand peak loads without backlogs and/or expenditure of funds for extra personnel. Also, with operational duties consolidated in the processing area, the professional Admissions staff can devote a larger portion of their time to admissions counseling, recruiting, public relations, and communication with departments and enrollment units. This project was initiated in April, 1975, and implementation will occur in multiple transition stages through July, 1976.

The Office of Records will locate the transcript area and all grade processing on the second floor of Lincoln Tower, with the present counter operation and scheduling located in the open area on the third floor,

serving as the public contact point. The reorganization of the Office of Records still is in the overview stage, but will concentrate on:
 1) the cross-training of present personnel in the Records area to handle student requests at one location to reduce the need to refer students to multiple locations, and 2) providing flexibility in the use of personnel to withstand large peaks of student traffic that may exist from time to time.

Actions to Reduce Expenditures

Throughout 1974-75, Registration Services has been attentive to the need to reduce expenditures wherever possible while still providing a high level of service. The following actions have brought about more efficient operations and resulted in savings of over \$14,000:

- Better monitoring of wages account	\$ 2,500
- Substitution of Computer Output on Microfilm for paper in college office copies of Approved Schedules and Student Information Cards	3,000
- Delivery of fee cards to residence halls rather than use U.S. Mail	2,200
- Use of student employees rather than additional Kelly services	1,200
- Decentralization of orientation, testing, and scheduling for Regional Campus students	1,680
- Reduced telephone usage	1,440
- Reduction in the number of copies in the Registration, Withdrawal, and Grade forms	<u>2,000</u>
TOTAL	\$14,020

For 1975-76, changes in the application packet to permit machine stuffing and reduce postage charges will generate savings of \$11,000, and another \$3,000 will be saved by giving up one computer retrieval terminal. However, other economies will have to be found since the University has lost its second-class permit for the mailing of bulletins and use of the fourth class special book rate will cost an additional \$27,000.

IX.

TREASURER

Early Retirement of Revenue Bonds

During 1974-75, the Treasurer's Office generated cash savings in excess of \$700,000 through the early retirement of revenue bonds. Interest rates have climbed sharply since these bonds were issued, and it became prudent to purchase these bonds on the open market for early retirement. The purchase and subsequent redemption of \$700,000 (face value) of Housing Commission III bonds at an average discounted rate of 71.4% and \$1,815,000 (face value) of Dormitory Revenue bonds discounted at 77.2% resulted in the following savings:

	<u>Cash Savings</u>	<u>Annual Interest Saved</u>	<u>Total</u>
Housing Commission III Bonds	\$200,200	\$25,200	\$225,400
Dormitory Revenue Bonds	413,800	74,000	<u>487,800</u>
			\$713,200

Increases in Discounts Earned

Several years ago, the Treasurer's Office secured approval from the State Auditor to initiate a procedure whereby invoices for which discounts were allowable for early payment were processed immediately to maximize the earnings from such discounts. Each year since, these savings have grown. The Auditing Department reports that discounts earned in 1974-75 totaled \$171,960, an increase of 7.2% over the \$160,356 earned in 1973-74.

Improved Service to Students

In addition to the above areas where cash savings were realized, services to students have been substantially improved. One example was the establishment of a satellite Bursar station in Pomerene Hall during registration periods, beginning with Winter Quarter, 1975. A check distribution station for Student Aid Accounting also was established at that location making one-stop fee processing possible for financial aid

OFFICE OF THE TREASURER

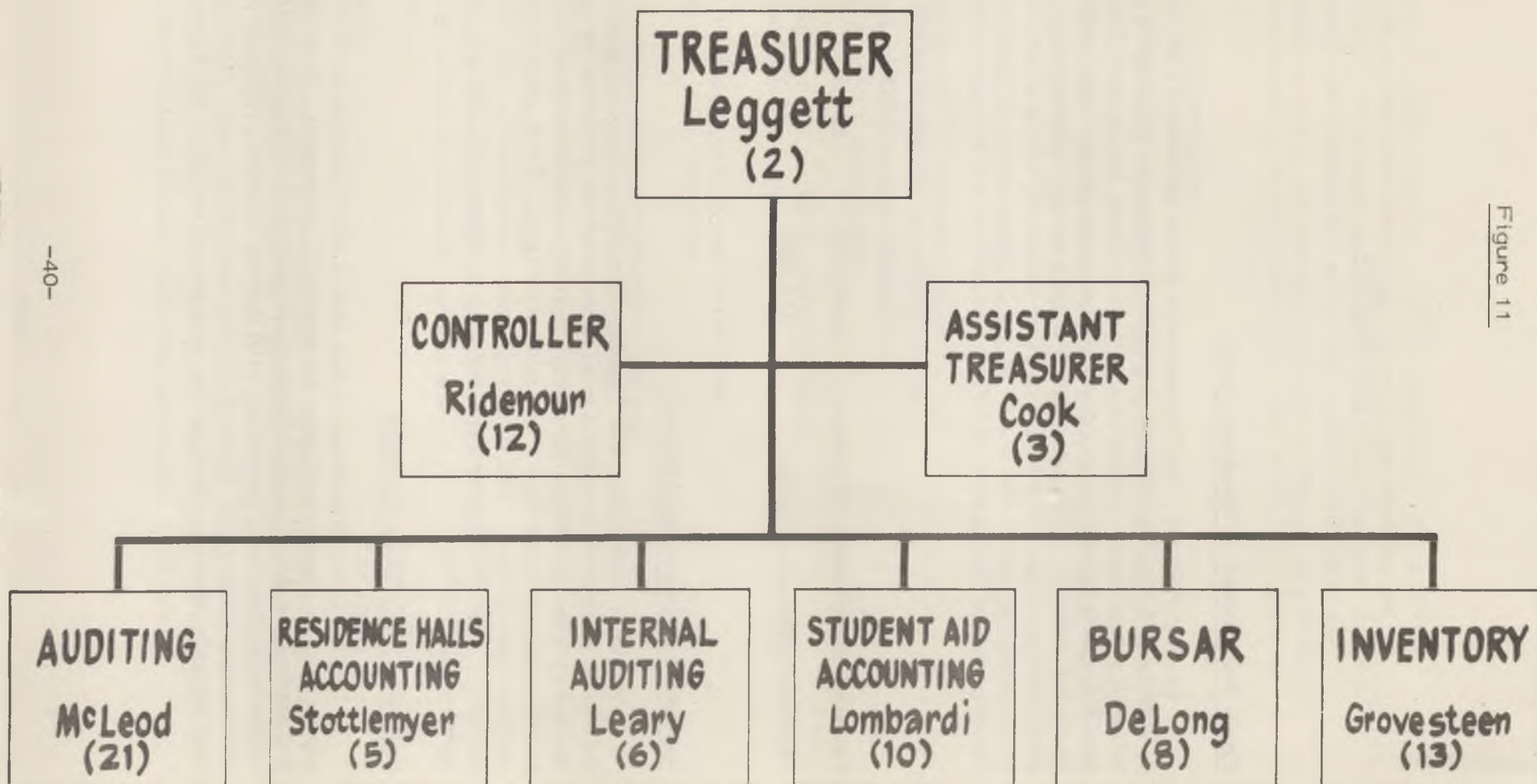


Figure 11

recipients. These satellite operations have been extremely successful and will be continued until plans are finalized for the location of satellite services once these offices move to Lincoln Tower. In addition, the numbers of students waiting in line in the Administration Building were substantially reduced. These improvements were effected even though the number of fees collected for the 1974-75 year was more than 7,800 above that for the previous year, and the number of fees (54,067) collected Autumn Quarter, 1974, was the highest in history. (Figure 12)

During the year, there also was a decided increase in the number of students using Bank Americard and Master Charge to pay fees. In Winter Quarter, 1970, when this option was initiated, only 5.5% of the students paid fees by credit card. Now, nearly 11% of the students are electing this method of payment. (Figure 12)

Banking Services on Campus

Early in 1974-75, an ad-hoc group was established by the Vice President to analyze the needs for additional banking services on campus. The committee's recommendation was that a full-service branch bank should be established on campus, with the Drake Union seeming to be the most appropriate location. The Treasurer currently is studying the types of services to be offered, hours of operation, and other aspects of the proposal to develop bid specifications. The committee also recommended that all commercial banks in the University area be encouraged to install automatic banking machines to provide services after normal banking hours, and this too is being explored.

Figure 12

BURSAR AND STUDENT AID ACCOUNTING

ACTIVITY LEVELS

	<u>1973-74</u>	<u>1974-75</u>	<u>% Increase</u>
<u>Bursar</u>			
Number of Paid Fees (Autumn Quarter)	51,850	54,067	4.3
Bank Americard & Master Charge Collections (Autumn Quarter)	\$ 991,000	\$ 1,220,000	23.1
Amount of Fees Collected (Total Year)	\$60,018,929	\$63,670,604	6.1
<u>Student Aid Accounting</u>			
Number of Loans Out- standing as of June 30	29,398	31,950	8.7
Principal Outstanding as of June 30	\$22,592,996	\$25,400,000	12.4
Amount of Loan Repayments	\$ 1,935,983	\$ 2,312,743	19.5
Bankruptcies			
Number	24	46	91.7
Amount	\$ 18,829	\$ 35,558	88.8
Delinquencies			
Number	8,891	9,537	7.3
Amount	\$ 1,559,587	\$ 1,999,687	28.2

UNIVERSITY SYSTEMS

Overview

University Systems is most concisely described as the University's administrative data processing center. But in addition to the "traditional" responsibilities of operating payroll, registration, grades, and "something for the alumni people", additional capabilities make the mission broader than the typical one.

For example, University Systems operates the Library Circulation System and Computer Assisted Instruction, activities directly supporting the classroom instruction. Representing about 40% of the workload, this significant link to the academic environment keeps the Department abreast and in step with the instructional mission.

Another atypical service of the Department is the do-it-yourself job submittal capability which lets users prepare their own special programs, data, and reports. That this service accounts for 15% of the total workload is sufficient evidence of meeting a true need while increasing the work effectiveness of the equipment.

Development Under the Five-Year Plan

The past year was the first full year of operation for the five-year information systems development plan, guiding the application development efforts of the Department. Two significant results are directly attributable to using such a plan:

Work Assignments - All programmer/analysts have a broad work assignment (by project) for the entire year. Having a documented work assignment and schedule is a great morale booster because it prevents slack time and listlessness from drifting into the working environment. People produce better results when the expectations are written than when only given orally or implied.

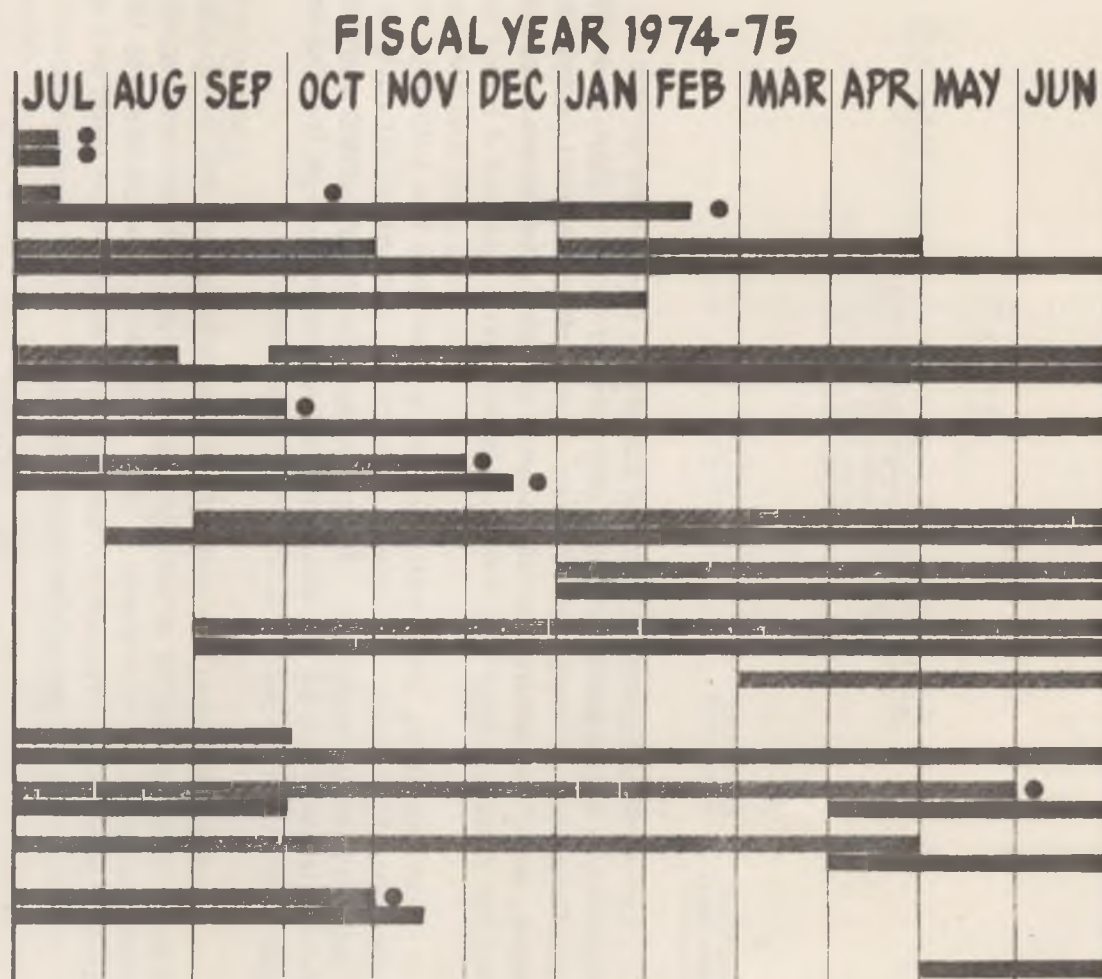
Project Priority - The relative priority of different projects is the largest significant issue in systems development. Scheduling, funding, and design all fall into place when

UNIVERSITY SYSTEMS

1974-75 DEVELOPMENT PLAN - STATUS

Figure 13

STUDENT DATA BASE (SDB)
 SDB-SECTION SEGMENT PURGE
 SDB-STUDENT PURGE
 SDB-ON-LINE UPDATE
 STUDENT FINANCIAL AIDS
 STUDENT LOAN ACCOUNTING
 COMPUTER ASSISTED SCHEDULING
 PERSONNEL APPOINTMENT PROCESSING
 COURSE DATA BASE
 FINANCIAL DATA BASE
 FACILITIES DATA BASE
 EQUIPMENT INVENTORY
 BUDGET ALLOCATION SYSTEM
 LCS ENHANCEMENT PHASE II SERIALS
 ADS DEVELOPMENT
 ALUMNI/DEVELOPMENT FUND SYSTEM



■ PLANNED ■ ACTUAL

● PLACED INTO SERVICE

relative priorities are determined. These relative priorities are documented in the plan, and there is a minimum of time spent in daily debates over who or what comes first.

A portion of the five-year plan strategy is a specific one-year plan on a project basis. The 1974-75 plan (Figure 13) included 16 projects. Fifteen projects were scheduled when the plan was developed and during the year 14 were worked on; additionally, one project was started which was not originally scheduled.

Stabilization of Computing Costs

During the past four fiscal years, equipment costs have risen from just under 1.0 million dollars in 1971-72 to 1.18 million for 1974-75. This increase is due to the increased "work-for-pay" activity within the Department and has actually resulted in a lower base budget. Therefore, as shown in Figure 14, the continuation budget commitment (base rental) for computer equipment has slightly decreased from 1971-72. However, significant price increases in 1974 (15% from Hazeltine, 75% from Standard Register, 8% from IBM), made higher budget commitments seem inevitable for the next few years.

A critical review of workloads, equipment performance, and finance plans led to a decision in late January to purchase the computer system and most peripherals that the Department currently rents from IBM. With IBM financing the time payments for five years, the continuation budget commitment will remain at last year's level. Continued rental of this equipment would have required 4% more money for 1975-76, with additional increases (because of inflation) almost certain in later years. The purchase ensured a few more years with stabilized costs - slight increases instead of double-digit ones.

The nest egg after five years should be worth about \$1.5 million - residual machine value of about \$600,000 and a purchase savings reserve of \$900,000. (Figure 15) However, a potential trap of capitalizing the equipment must be avoided. Diverting these reserve funds to other University expenditures would sell off the investment and result in the loss of the data processing base that good management has provided.

The Department also has generated other savings, admittedly on a smaller scale, but representing the same conscious efforts to improve cost effectiveness. Computer paper is being recycled for the Department's internal printing by taping it together and printing on the back side, saving

BASE RENTAL BUDGET & EARNINGS UNIVERSITY SYSTEMS

MILLION PER YEAR

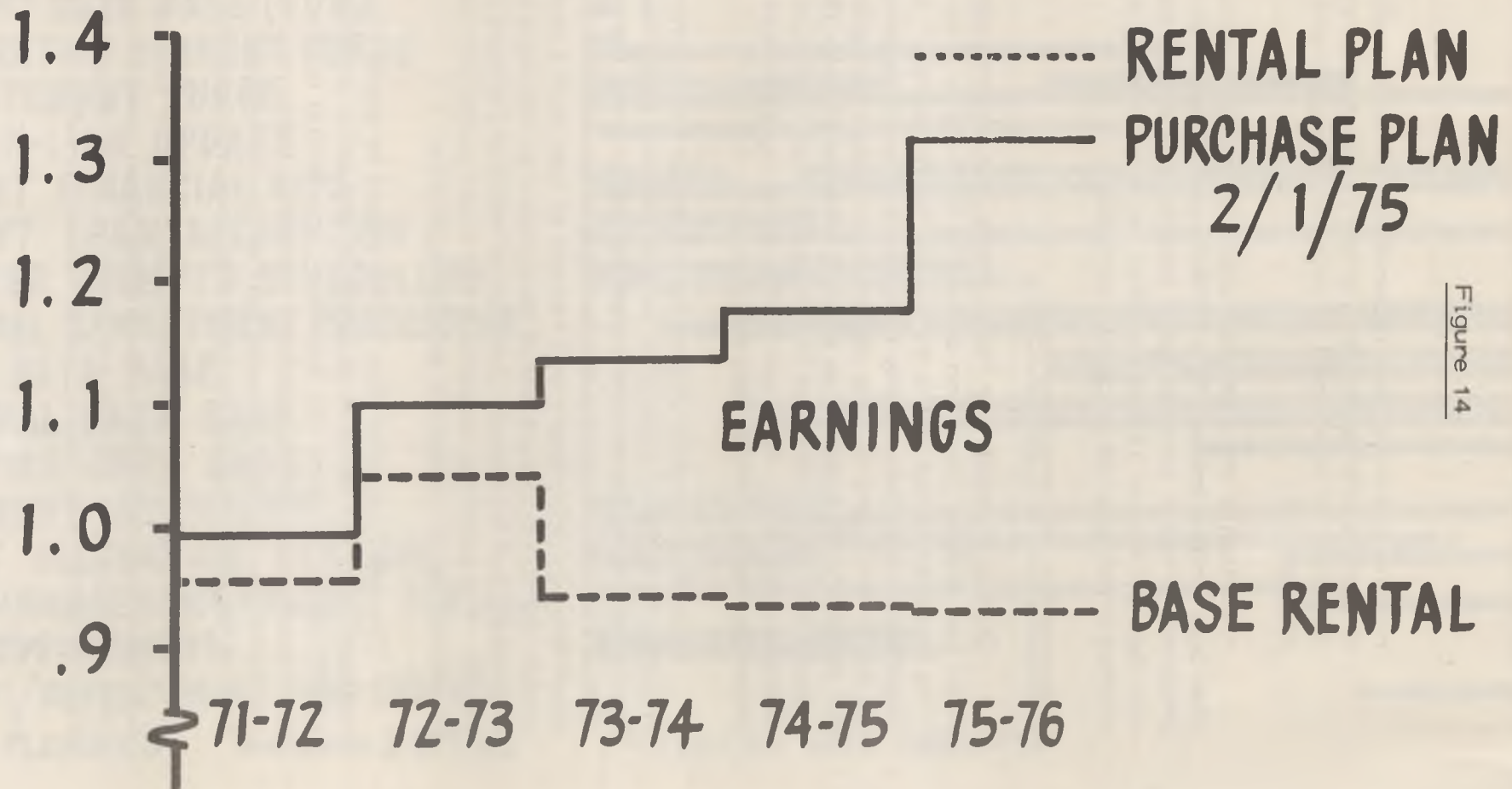
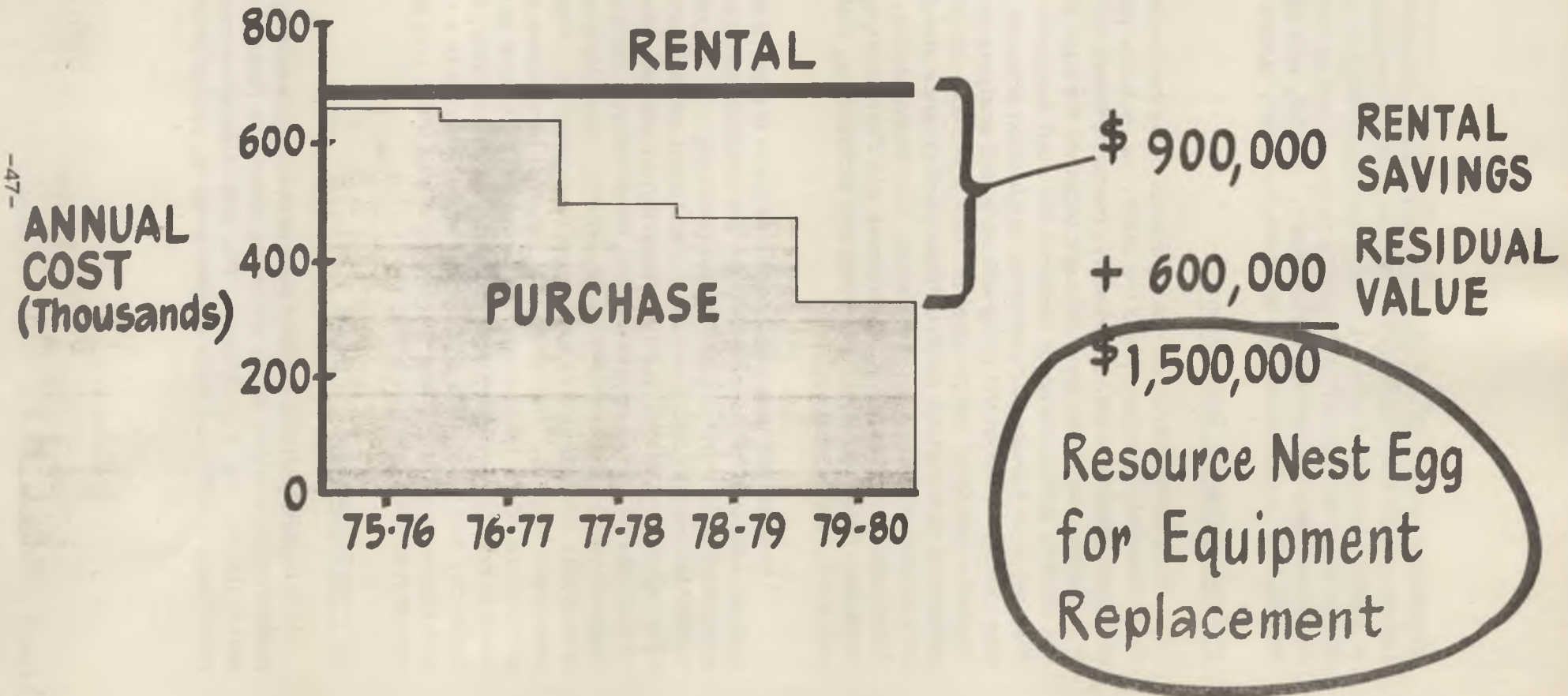


Figure 14

UNIVERSITY SYSTEMS

Savings with Purchased Computer

Figure 15



\$7,000 per year. Computer ribbons now are re-inked three to four times before discarding, saving \$3,500 per year. Installation of a University transmission cable to the Library has saved \$1,900 per year compared to the costs for use of Ohio Bell's cable. Each of these activities required better internal management, control, and responsibility, but the pay-off is more service to users for every budget dollar spent.

Formal Personnel Evaluation

Two administrative realignments occurred in the past four years for University Systems, and the staff now includes personnel from five different departments. Obviously, many different hiring, promotional, and review practices were brought together through these changes, and the need to define common criteria for staff evaluation was apparent. The key to a successful personnel evaluation process to meet these needs was simple: having the programmers and analysts aid in the design and implementation of the program. Through these collective efforts, ten personnel dimensions (with written performance standards) were defined to evaluate employee performance: Communications, Job Awareness, Thoroughness, Technical Awareness and Competence, Productivity, Attitude, Dependability, Planning and Scheduling, Resource Conservation, and Group Participation.

The process was designed to provide a significant addition to the typical evaluation process through the broader perspective given to departmental, inter-departmental (working with the users), and University relationships, in addition to the traditional employee-manager relationship. Employees are asked (but not required) to evaluate the Department and University in terms of Career and Professional Development, Education Opportunities, Department Management, Intra-departmental Cooperation, University Environment, and Work Assignments. This feedback has been very helpful. For example, several employees expressed the desire to have the same opportunity as Program 65 offers to the elderly. Their need to take job-related courses such as Accounting, Administrative Science, and Computer and Information Science is a very timely one, and the opportunity to learn the topics was much more important than concern for obtaining credit.

1975-76 Objectives

Responsibilities toward data processing security, privacy, and reliability are necessarily on-going activities requiring constant review, surveillance, and adjustment. The administrative realignments previously mentioned have caused security procedures to become lax,

out-of-date, and generally inadequate. Therefore, the Department has begun a formal internal commitment to strengthening this activity and restoring it to its proper role in the operation. The objective of this new effort is to assure that matters of employee safety, system reliability, disaster recovery, privacy protection, and cost effectiveness are each in balance for the Department.

